

HOUSE BILL REPORT

ESHB 2668

As Passed House:
February 14, 2006

Title: An act relating to professional athletics regulated by the department of licensing.

Brief Description: Modifying provisions regulating certain professional athletic events.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Hudgins, Lovick, Crouse, Upthegrove, B. Sullivan and Sump).

Brief History:

Committee Activity:

Commerce & Labor: 1/26/06, 2/1/06 [DPS].

Floor Activity:

Passed House: 2/14/06, 96-1.

Brief Summary of Engrossed Substitute Bill

- Changes the word "tax" to "administrative fee" throughout the chapter to refer to the percentage of gross receipts that a boxing, kickboxing, wrestling, or martial arts promoter must pay to the Department of Licensing.
- Adds a definition of bout so that an event physician has authority to stop any bout, instead of an entire event, when in the event physician's opinion it would be dangerous to a contestant to continue.
- Provides that boxing, kickboxing, and martial arts promoters must obtain medical insurance and provide proof of insurance to the Department of Licensing 72 hours before each event.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Holmquist, Hudgins, Kenney and McCoy.

Staff: Sarah Dylag (786-7109).

Background:

The Department of Licensing (Department) regulates boxing, martial arts, and wrestling events. Participants and officials of these events must obtain a license in order to engage in these sports. The Department issues licenses to promoters, managers, boxers, wrestling participants, inspectors, judges, timekeepers, announcers, event physicians, chiropractors, referees, matchmakers, kickboxers, and martial arts participants. Licenses are valid for one year from date of issue. Varsity boxing, wrestling or sparring, or amateur events promoted on a not-for-profit or charitable basis, are not regulated.

Bond and Medical Insurance

As a condition of receiving a license, a boxing promoter is required to obtain medical insurance in an amount set by the Department, but not less than \$50,000, to cover any injuries incurred by participants. A boxing promoter must also file a bond in an amount determined by the Department, but not less than \$10,000. Seventy-two hours before each event, a boxing promoter must provide proof of insurance to the Department.

Taxes

At the end of any event, a promoter must file a report with the Department, showing the number of tickets sold, the price charged for each ticket, and the gross proceeds of ticket sales. At the time of filing, a promoter is required to pay the Department a tax equal to 5 percent of gross receipts of ticket sales. The number of complimentary tickets must be limited to 10 percent of the total tickets sold per event location not to exceed 1,000 tickets. Complimentary tickets exceeding 10 percent of the tickets sold are taxed.

A promoter who charges and receives an admission fee for exhibiting a simultaneous telecast of a live, current, or spontaneous boxing or sparring match or wrestling exhibition must also furnish the Department with a report of the number of tickets issued or sold and the gross receipts from the sale of tickets. A promoter must also pay the Department a tax equal to 5 percent of the gross receipts for admission to an event.

Physician

The Department may require that an event physician be present at a wrestling event. The promoter shall pay the event physician present at a wrestling event. A boxing, kickboxing, or martial arts event may not be held unless an event physician licensed by the Department is present throughout the event.

The event physician has the authority and the duty to stop any event when, in the event physician's opinion, it would be dangerous to a contestant to continue.

Summary of Engrossed Substitute Bill:

Medical Insurance

Kickboxing and martial arts promoters must also obtain medical insurance and provide proof of that insurance to the Department 72 hours before each event.

Taxes

The word "tax" is changed to "administrative fee" throughout the chapter to refer to the percentage of gross receipts that a promoter must pay to the Department.

Physician

Bout is defined as a contest or match between participants appearing at an event. An event physician has the authority and duty to stop any bout, instead of the entire event, when, in the event physician's opinion, it would be dangerous to a contestant to continue.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill started as a larger bill and the initial items included in it have been scaled down to these four. The issue of changing the word tax to "administrative fee" is an issue related to tribal events. There is information about what other states have done with respect to the immunity provision.

The bill would allow Washington to set a precedent for other states. Washington has done that in the past, when the state required training for officials and made "toughman competitions" unlawful. Washington was the first state to do both.

The immunity issue is important. Referees, judges, and other officials are regular people with other jobs who work as officials for the love of the sport, sometimes making only \$75 for one night of work. Training for these officials is expensive, and the risk of a lawsuit is just another added worry.

There is a concern about how the immunity provision would work. It appears that other laws refer to "state employees." Officials are paid by the promoter and not the state so there is a question whether that poses a conflict.

Testimony Against: None.

Persons Testifying: (In support) Trudy Touchette, Department of Licensing; Barry Druxman, International Professional Ring Officials; and Alan Krebs, International Professional Ring Officials.

Persons Signed In To Testify But Not Testifying: None.